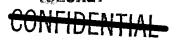
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14 October 1957

MEMORANDUM FOR RECORD 25X1A5a1	
SUBJECT: Discussion with	9 October
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1. primarily	y discussed aspects of Soviet policy.
He began by pointing out that in 1955 Khrushchev had developed his	
policy for flanking the Free World by (a) neutralizing the non-	
committed countries, and (b) neutralizing the West through the strata-	
gem of "co-existence". In 1956 this policy was implemented in the	
pronouncements of the 20th CF	SU Congress. However, because of

2. In spring 25%1 Apale began a period of stabilization (this was the very word used). The emergency was over. Its duration had been cut short because of the inadequate policies of the West. US policy appeared to be without perspective, and thus the USSR had all the trumps in its hands; it could not lose. Therefore Khrush-chev did not have to go back to his 1955 policy. He could go far beyond it.

the events following this Congress, the period up to spring 1957 witnessed the replacement of Khrushchev's original policy with one of

emergency so as to "put out the fires" that were burning.

- 3. There are two types of crises the Kremlin had to cope with. One arose out of ideological difficulties. This crisis has not been resolved and may not be resolved for a long time. It is, however, a very important one and may ultimately decide the fate of Communism throughout the world. The second crisis was a policy crisis performance that the content of the USSR and other countries, and it is content to that this crisis has been or is on the way to be resolved.
- 4. The establishment of Khrushchev in a very strong position, following the ouster of Malenkov, ex Molotov et al. in June 1957, made it easier for him to revert from his "fire brigade" policy to a long-range stabilization policy. He was now really in power and there was no sign that anybody could threaten him. From now on, changes in Soviet policy were not necessarily connected with new personalities but became the result of Khrushchev's own decision. Supporting his strong personal position are the following factors:

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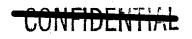
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- a. There has been some measure of unilateral disarmament in every western country. This has been achieved without long conferences and without any obligation on the part of the Soviets to disarm likewise.
- b. There has been a crisis in relations between the US and its western allies after the Suez affair. As a result, West Germany is now the best ally of the US and that is not healthy. If a Labor government should come to power in Britain and the US did not change its policy, the gap between this country and its chief ally would widen further.
- c. The Soviets have under-estimated their influence in under-developed areas. They have found their position to be much stronger than they believed. Hungary has not really shaken these "neutral" nations, and in the Middle East the Soviet position is not weaker but stronger. It follows that the USSR can make mistakes, can outdo the west in cold-war activities, and yet hold a firm position and enjoy tremendous prestige in the under-developed areas. The Soviets have recognized that they have a great freedom of movement since the West has no positive projects to help these areas; a few gifts, loans or limited technical assistance are simply not enough.
- d. It is not surprising that the Soviets feel militarily very strong and brag about it. From their point of view, the new technological developments and the western disarmament have changed the military balance of power in their favor.
- e. The Communist World situation in the developed areas and among the fellow-traveling organizations is probably not regarded as too important a factor by Moscow. The Kremlin believes that Soviet successes will unify and stabilize the parties in the end. There may be a long crisis but it will not deter the Soviets in any respect. In the under-developed countries there is no party problem; the tool there is nationalism.
- 5. The question, then, is: Are Khrushchev's new policies tactical or long-range strategic? The answer depends to a great degree on the West. If the West effectively counters the new Soviet policies, Khrushchev will be compelled to modify his more aggressive approach and perhaps retreat to his 1955 line.

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